

MINUTES  
STATE BUILDING COMMISSION MEETING  
EXECUTIVE SUB-COMMITTEE  
SEPTEMBER 20, 2004

The State Building Commission Executive Sub-committee met this day at 10:30 a.m. in Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration  
Dale Sims, State Treasurer  
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

John Morgan, Comptroller of the Treasury

OTHERS PRESENT

Mike Fitts, State Architect  
Georgia Martin, Department of Finance and Administration  
Charles Garrett, Department of Finance and Administration  
Gloria Rittenberry, Department of Finance and Administration  
Jurgen Bailey, Department of Finance and Administration  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Dennis Raffield, THEC  
George Brummett, Department of Finance and Administration  
John Gregory, Tennessee Wildlife Resources Agency  
Mark Wood, Secretary of State's Office  
Annette Crutchfield, Legislative Budget Analysis  
Cliff Steger, Department of Finance and Administration  
Lola Potter, Department of Finance and Administration

Jan Sylvis, Department of Finance and Administration  
Mike Morrow, Department of Finance and Administration  
Tim Stewart, Military Department  
Emmett Edwards, Metro Government  
Francis Guess, African-American Museum  
Spruell Driver, African-American Museum  
Senator Thelma Harper  
Nancy Blevins, Department of Finance and Administration  
Ken Scalf, Department of Finance and Administration  
Bob King, Department of Finance and Administration  
Bob Bumbalough, Department of Human Services  
Judy Gayle, Department of Human Services  
Alvin Payne, University of Tennessee  
Philip Scheurer, University of Tennessee

Commissioner Goetz called the meeting to order at 11:01 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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DEPARTMENT OF FINANCE & ADMINISTRATION

DISCUSSION ITEM

Discussion regarding a long-term DISPOSAL by LEASE with an Option to Purchase on a site located on the north side of the Bicentennial Mall with WAIVER of ADVERTISEMENT and APPRAISALS as required by T.C.A. 12-2-112 and 12-2-115.

Description: **Davidson County – 2.6 +/- Acres - North Side of Bicentennial Mall, Nashville, TN - Trans. No. 04-06-007 (LW)**

Purpose: Disposal by Lease to establish the Museum of African American History, Art and Culture.

Grantee: African American History Foundation of Nashville, Inc.

Comment: The Foundation is requesting a long-term lease with an option to purchase at a nominal consideration at the end of the lease period.

SSC Report: 6-14-04. Jurgen Bailey introduced Mr. Francis Guess, Foundation Vice Chairman, and Mr. Spruell Driver, Foundation Attorney. Mr. Guess provided a history of the project and summarized the request. Mr. Guess stated the project has support at the federal and state level. He said that a task force had been established in order to determine a venue for the project and that the Jefferson Street site has been designated the proper site. Mike Fitts, State Architect, stated the Bicentennial Mall development is for educational and cultural activities and that the museum project is a fitting solution according to all interested supporters.

Mr. Guess stated that funding for the project could be some type of bonded debt service with an endowment as repayment. He stated that Dr. T. B. Boyd, Chairman, is a major supporter of the project. Discussion ensued regarding the term of the lease and the option to purchase. Mr. Guess stated that ownership is a big concern of Dr. Boyd's. Mr. Driver recommended an option to purchase at the end of the lease term subject to the terms and covenants of the lease.

The motion was made regarding the lease term as follows:

- 1) Design of the project to have final approval of the State Architect
- 2) Thirty (30) year term with the Option to Extend for (1) additional 30) year period with a 5-year construction period
- 3) Property will revert if it ceases to be used for the stated purpose
- 4) Property will revert if construction has not begun within 5-years.
- 5) The Foundation's option to purchase at the end of the lease term subject to the terms and covenants of the lease.

Staff stated its support for the project and referred to request to Sub-committee with recommendation.

SC Action: 6-21-04. Comptroller John Morgan called the meeting to order and recognized Francis Guess and Commissioner Lavendar. Mr. Francis Guess requested the Sub-committee consider the motion made by staff. He summarized the project. He stated the project will be an economic development vehicle for the community. Charles Garrett, Finance and Administration, stated the transaction would be a disposal by lease. He stated the items in the motion made by staff would be finalized and brought back next month for final approval. Mr. Garrett requested conceptual approval. Sub-committee approved the request for conceptual approval with the lease agreement to be brought back for final approval.

Request for approval of the following recommended lease terms:

- 1) DESIGN RESTRICTIONS - Design of the project and any subsequent improvements to the Museum will require approval of the State Architect
- 2) TERM - Thirty (30) year lease term with the option to extend for one (1) additional 30-year term
- 3) PURCHASE – Subject to the approval by the State Building Commission, the Foundation has the option to purchase the Premises for One Dollar (\$1.00) at the end of the Initial Lease Term or at the end of the Renewal Lease Term (if any)
- 4) RENTAL - Lessee will pay no monetary rent. The Foundation will carry out the services and responsibilities of the lease as consideration
- 5) MAINTENANCE - Lessee will be responsible for all utility payments and maintenance of the facility and grounds.
- 6) DAMAGE OR DESTRUCTION – In the event of damage or destruction, insurance monies will be applied to the repair or replacement of the Museum facility
- 7) TERMINATION FOR CAUSE – If, during a continuous 24 month period from the date that the Foundation received the Notice of Defect and Performance, the Foundation fails to cure its defect in performance and/or reimburse the State for all Default Expenses incurred by the State, as the case may be, then this lease shall, at the State's option, terminate and the premises shall revert to the State of Tennessee
- 8) ASSIGNMENT – The Foundation may not assign its obligations to manage and operate the Museum or any interest of the Foundation under this lease or sublet the premises without obtaining prior written approval of the State of Tennessee
- 9) LIABILITY – The State shall not be liable to the Foundation for injuries to persons or properties suffered.

Other lease terms,

- A) Property will revert if ceases to be used for the stated purpose of being an African American Museum
- B) Property will revert if construction has not begun within five (5) years

- C) Property will remain a state parking lot until groundbreaking for the Museum takes place
- D) State will provide a survey and legal description for the leased property within sixty (60) days of State Building Commission Executive Subcommittee final approval

SC Action: 9-20-04. Charles Garrett summarized the transaction and recognized Mr. Francis Guess and Spruell Driver, of the Foundation, Senator Thelma Harper and Mr. Emmett Edwards, from the Mayor's office. Mr. Garrett advised that the lease terms as presented were agreed upon by all concerned parties and requested final approval of the lease. Sub-committee approved the request as presented. Final action.

MILITARY DEPARTMENT

**VOLUNTEER TRAINING SITE, MILAN, TENNESSEE**

- 1) Approved a request for a revision in funding from \$500,000.00 to \$550,000.00 (\$50,000.00 increase) of a project for **19 Bed Barracks** at Volunteer Training Site, Milan, and authorization to award a contract to Woodall Construction, Jackson, in the amount of \$474,900.00, based on bids received September 15, 2004.

**Revised Estimated Project Cost: \$550,000.00**  
*SBC Project No. 368/031-03-04*

BOARD OF PROBATION AND PAROLE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Sullivan County – 1329 Hwy. 394, Blountville, TN – Trans. No. 04-05-902 (JS)**

Purpose: To provide office and related space for local operations.

Term: January 1, 2005 thru December 31, 2014 (10 yrs.)

Proposed Amount:	<u>5,619 Square Feet</u>		
	Annual Contract Rent:	\$54,552.00	@ \$ 9.71/sf
	Est. Annual Utility Cost:	\$ 7,866.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 6,180.90	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$68,599.50	@ \$12.21/sf

Current Amount:	<u>5,619 Square Feet</u>		
	Annual Contract Rent:	\$54,552.00	@ \$ 9.71/sf
	Est. Annual Utility Cost:	\$ 7,866.60	@ \$ 1.40/sf
	Est. Annual Janitorial Cost:	\$ 6,180.90	@ \$ 1.10/sf
	Total Annual Effective Cost:	\$68,599.50	@ \$12.21/sf

Type: New Lease – Advertisement – Lowest of (2) Proposal from (1) Proposer

FRF Rate: \$10.25 Per Square Foot

Purchase Option: None – Multi-property Complex

Lessor: David K. Quillen, Current Lessor

Comment: The proposed lease provides (1) the Lessor shall make interior improvements at the State's request during the lease term at no additional cost to the State, (2) State shall be responsible for yard care, snow and trash removal, and (3) no cancellation during the first five years of the lease term except for cause and/or lack of funding and 180 days notice thereafter.

SSC Report: 8-16-04. Bob King summarized the transaction. He advised that the Lessor withdrew a proposed State option to purchase due to Lessor owns adjoining property and does not wish to split his property. Mr. King advised that legal counsel advised that there is no legal issue with the withdrawal of the offer. Staff referred to Sub-committee for discussion.

SC Action: 8-23-04. Charles Garrett summarized the transaction. He further provided an explanation of the proposed Lessor's withdrawal of the proposed Purchase Option. Discussion ensued regarding the value in requesting that a purchase option be part of a proposal. Sub-committee deferred action pending further review and analysis.

- SSC report: 9-13-04 Robert King presented the transaction and summarized negotiations regarding the Purchase Option. After review and discussion, Staff referred the transaction to Sub-committee for discussion with consideration of a negotiated one-year lease pending further review and determination of agency's long-term needs.
- SC Action: 9-20-04. Charles Garrett presented the transaction and summarized previous discussion and review. Sub-committee the transaction as recommended by staff.

DEPARTMENT OF FINANCE AND ADMINISTRATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Cheatham County – Highway 49/Frey Street, Ashland City, TN – Trans. No. 04-01-910 (RS)**

Purpose: To provide office and related space for the Departments of Human Services and Children's Services.

Term: February 1, 2006 thru January 31, 2016 (10 yrs.)

Proposed Amount: 11,000 Square Feet

Annual Contract Rent:	\$120,600.00	@\$10.96/sf
Est. Annual Utility Cost:	\$ 15,400.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 12,100.00	@\$ 1.10/sf
Total Annual Effective Cost:	\$148,100.00	@\$13.46/sf

Current Amount: 4,600 Square Feet

Annual Contract Rent:	\$ 43,000.00	@\$ 9.35/sf
Est. Annual Utility Cost:	\$ 6,440.00	@\$ 1.40/sf
Est. Annual Janitorial Cost:	\$ 5,060.00	@\$ 1.10/sf
Total Annual Effective Cost:	\$ 54,500.00	@\$11.85/sf

Type: New Lease – Advertisement – Only Proposal from (1) Proposer – Negotiated

FRF Rate: \$10.25 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Pedigo-Ashland Properties, LP

Comment: The proposed lease provides (1) the Lessor will construct 11,000 square feet of office and related space including interior build-out at no additional cost to the State, (2) no cancellation during the first five years of the lease term except for cause and/or lack of funding, and (3) an Option to Purchase.

SSC Report: 9-13-04. Robert King summarized the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 9-20-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.



DEPARTMENT OF MENTAL HEALTH & DEVELOPMENTAL DISABILITIES

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: **Liberty County, Texas –136.7 +/- Mineral Acres – Trans. No. 00-12-015 (CH)**

Purpose: Lease Extension of One year for continued drilling purposes.

Term: October 1, 2004 thru September 30, 2005

Consideration: \$22,830.72

Lessee: Blanco/Cobra Oil and Gas

Comment: Lease proceeds to be deposited into the Mental Health Trust Fund in care of Moccasin Bend Mental Health Institute, Chattanooga, TN. The current lease will expire September 30, 2004.

During the current lease period one three wells began producing and the extension period is need to continue drilling for connection of a pipeline to the producing well.

SSC Report: 9-13-04. Jurgen Bailey presented a summary of the transaction. Staff referred to Sub-committee with recommendation.

SC Action: 9-20-04. Charles Garrett summarized the transaction. Sub-committee approved the request as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN APPRAISAL ONLY in the following real property:

Description: **Shelby County – 286.0 +/- Acres - Eagle Lake Refuge**

Purpose: Appraisal of the Bompreszi tract that includes young bottomland forest and a small portion of high ground above the Mississippi River bluff.

Source of Funding:

Estimated Cost: Fair Market Value

Owner(s): Bompreszi Family

SSC Report:: 9-13-04. John Gregory, TWRA, presented the transaction for consideration and recommendation. He stated the TWRA in partnership with the Tennessee Parks and Greenways Foundation (TPGF) plan to work together to acquire the subject property that joins the Eagle Lake Refuge. He stated current personnel will be used to manage the additional property. He advised that time is of concern as the Bompreszi Family needs to close on the transaction in March of 2005. Mr. Gregory requests approval to obtain appraisal only to allow the TPGF to contract immediately for the appraisal and TWRA expects to request final approval to acquire in November of 2004.

Staff referred to Sub-committee with recommendation for approval for Appraisal only and that the project is brought back to Sub-committee for final approval.

SC Action: 9-20-04. Charles Garrett summarized the transaction. Treasurer Sims and Secretary of State Darnell disclosed that they are Board members of the Tennessee Parks and Greenways Foundation. Sub-committee approved the request as presented.

TENNESSEE WILDLIFE RESOURCES AGENCY

REPORT ITEM

Renewal Lease Agreement in Unicoi and Greene Counties between TIMBERVET, LLC, Lessor, and the Tennessee Wildlife Resources Agency, Lessee, to lease land upon which to establish and operate facilities and areas for the protection, propagation, and harvest of wildlife, pursuant to TCA 70-5-108 and State Building Commission Policy I-3, C, Acquisition, Disposal, and Lease of Property.

Description: **Cherokee Wildlife Management Area – 10,000 +/- Acres**  
**1-Year with 30-day cancellation - \$25,000.00 Annual Rent**

SSC Report: 9-13-04. Staff referred to Sub-committee as a Report Item contingent upon Provision 6 of the lease agreement regarding marking of boundary lines being resolved to the satisfaction of the agency.

SC Action: 9-20-04. Charles Garrett summarized the transaction and stated that boundary concerns have been resolved. Sub-committee received the report.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Obion County – 193.4+/- acres – Reelfoot Lake - Trans. No. 03-06-013 (CH)</u></b>
Purpose:	Acquisition in Fee for the preservation of wetlands.
Source of Funding:	State Wetland Acquisition Funds
Estimated Cost:	\$342,000.00
Owner(s):	The Conservation Fund
SSC Report:	07/14/03. Jurgen Bailey stated the Conservation Fund has owned the property since 1999 and acquired the property from the Milton Hamilton family who has owned the property since 1955. This transaction has been a priority for the agency for several years. Staff referred to Sub-committee for discussion.
SSC Report:	12-08-03. Charles Garrett advised the transaction is deferred.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for discussion.
SC Action:	9-20-04. Charles Garrett presented a history of the transaction. After review and discussion, the request was deferred.

DEPARTMENT OF FINANCE AND ADMINISTRATION

DISCUSSION ITEM

Discussion regarding a Proposal to add a new Section to the State Standard Lease Agreement form.

- SSC Report: 8-16-04. Bob King advised that proposed new language has been submitted to the Attorney General's office for review and approval. Charles Garrett stated the proposal is being submitted to Sub-committee for information purposes and discussion at this time.
- SC Action: 8-23-04. Charles Garrett requested deferral at this time. Sub-committee concurred.
- SSC Action: 9-13-04. Charles Garrett reported the proposed new language has been reviewed and approved by the Attorney General's office for insertion into the State standard lease agreement form. Staff referred to Sub-committee with recommendation.
- SC Action: 9-20-04. Charles Garrett presented language for inclusion into the State's Standard Lease Form as approved by the Attorney General's office. Sub-committee approved the request. Final action.

## STATE BUILDING COMMISSION

### EXECUTIVE SUBCOMMITTEE MEETING MINUTES

- 1) Approved the Minutes of the Executive Subcommittee meeting held on August 23, 2004.

### BY LAWS, POLICY AND PROCEDURES OF THE STATE BUILDING COMMISSION

- 1) State Architect Mike Fitts requested approval to recommend to the full Commission the following revision to the *By-Laws, Policy and Procedures of the State Building Commission* and its Memorandum of Understanding. He said this was in response to Senate Bill 2645 that requires Higher Education to obtain SBC approval for expenditures in excess of \$100,000 in a six-month period on any building. He stated that this policy has been reviewed by staff and they believe this action corresponds to the intent of the bill and is workable as a process. Treasurer Sims said that it was his understanding that this was essentially defining major maintenance the same as they have for central government. Mr. Fitts said that was the case. He said the Memorandum of Understanding provides the specific definitions that staff had agreed to. After discussion, the Subcommittee recommended the adoption of the policy to the full Commission.

### SBC POLICY REVISION

Revise Item 2, paragraph 2.01(A), of the *By-laws, Policy and Procedures of the State Building Commission*, to include a new subparagraph 3 as follows, and to renumber the existing paragraph 3 to paragraph 4:

3. The major maintenance or renovations not covered in paragraph 4 below, funded from sources other than capital appropriations with expenditures, or a combination of separate expenditures, in excess of \$100,000 made in a six month period on a single building or structure owned or leased by the State institution of higher education or governing board thereof. Major maintenance shall not include cost of utilities, recurring and routine maintenance of systems and grounds, telephones/network installations and relocations, and custodial services. It is the express intent of the Commission that no major maintenance or renovation project be split to avoid the \$100,000 threshold. **[T.C.A. 49-7-129, et. seq.]**

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Following approval of the Consent Agenda, the meeting adjourned at 11:35 p.m.

CONSENT AGENDA

Approved the following Real Property transactions that have been reviewed and recommended for approval by Sub-committee staff:

- A. Agency: **Labor & Workforce Development – Maury County**  
Transaction: Lease Amendment
- B. Agency: **Department of Children’s Services – Montgomery County**  
Transaction: Lease Agreement
- C. Agency: **TN Board of Regents – Claiborne County**  
Transaction: Lease Agreement
- D. Agency: **TN Board of Regents – Davidson County**  
Transaction: Lease Agreement
- E. Agency: **TN Board of Regents – Dyer County**  
Transaction: Acquisition in Fee
- F. Agency: **Department of Transportation – Jefferson County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement
- G. Agency: **Department of Transportation – Hamilton County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement and Appraisals
- H. Agency: **Department of Transportation – Sullivan County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement and Appraisals
- I. Agency: **Department of Transportation – Monroe County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement and Appraisals
- J. Agency: **Department of Transportation – Anderson County**  
Transaction: Disposal in Fee  
Provision: Waiver of Advertisement
- K. Agency: **Environment & Conservation – Franklin County**  
Transaction: Disposal by Easement  
Provision: Waiver of Advertisement and Appraisals
- L. Agency: **Environment & Conservation – Franklin County**  
Transaction: Disposal by Easement  
Provision: Waiver of Advertisement and Appraisals

- M.     Agency:     **Environment & Conservation – Weakley County**  
Transaction:    Acquisition in Fee
- N.     Agency:     **Environment & Conservation – Grundy County**  
Transaction:    Acquisition in Fee
- O.     Agency:     **TN Wildlife Resources Agency – Weakley County**  
Transaction:    Acquisition in Fee
- P.     Agency:     **TN Wildlife Resources Agency – Weakley County**  
Transaction:    Acquisition in Fee
- Q.     Agency:     **TN Wildlife Resources Agency – Dyer County**  
Transaction:    Acquisition in Fee
- R.     Agency:     **TN Wildlife Resources Agency – Dyer County**  
Transaction:    Acquisition in Fee
- S.     Agency:     **TN Wildlife Resources Agency – Fayette County**  
Transaction:    Acquisition in Fee
- T.     Agency:     **Tennessee Board of Regents – Montgomery County**  
Transaction:    Demolitions at Austin Peay State University



A.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property required by TCA 12-2-115:

Location: **Maury County –2482 Park Plus Drive, Columbia, TN – Trans. No. 04-07-908 (RS)**

Purpose: To provide additional office and related space for the Worker's Compensation Program.

Term: January 1, 2005 thru December 31, 2014 (10 yrs.)

Proposed Amount: 5,400 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$36,882.00 @\$6.83/sf  
Total Annual Effective Cost: \$36,882.00 @\$6.83/sf

Current Amount: 3,000 Square Feet  
Annual Contract Rent  
Incl. Utility & Janitorial Cost: \$20,499.00 @\$6.83/sf  
Total Annual Effective Cost: \$20,499.00 @\$6.83/sf

Type: Amendment No. 1 – 2,400 Additional Square Feet

FRF Rate: \$13.50 Per Square Foot

Purchase Option: Yes – Years 1 thru 10

Lessor: Richard Thompson, Current Lessor

Comment: The proposed amendment provides the Lessor will construct an additional 2,400 square feet of office and related space including interior build-out at no additional cost to the State. All other terms and conditions remain the same.

SSC Report: 9-13-04. Robert King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 9-20-04. Sub-committee approved the transaction as presented. Final action.

B.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Montgomery County – 1557 Ashland City Road, Clarksville, TN – Trans. No. 04-02-910 (TH)**

Purpose: To provide office and related space for the Mid-Cumberland Community Service Agency.

Term: July 1, 2005 thru June 30, 2010 (5 yrs.)

Proposed Amount: **8,200 Square Feet**

Annual Contract Rent:	\$67,184.00	@ \$ 8.19/sf
Est. Annual Utility Cost:	\$11,480.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,020.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$87,684.00	@ \$10.69/sf

Current Amount: **5,600 Square Feet**

Annual Contract Rent:	\$43,456.00	@ \$ 7.76/sf
Est. Annual Utility Cost:	\$ 7,840.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 6,160.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$57,456.00	@ \$10.26/sf

Type: New Lease – Advertisement – Lowest of (4) Proposals from (3) Proposers

FRF Rate: \$13.50 Per Square Foot

Purchase Option: None

Lessor: Advanced Builders, LTD, Inc.  
Ralph Mackens, Owner

Comment: The proposed lease provides (1) Lessor will construct 8,200 square feet of office and related space including interior tenant improvements at no additional cost to the State and (2) no cancellation during the lease term except for cause and/or lack of funding.

SSC Report: 9-13-04. Robert King summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Claiborne County – 907 Main Street, New Tazewell, TN – Trans. No. 04-01-908**

Purpose: To provide educational and related space for Walters State Community College Off-Campus Center which provides educational services to residents of Grainger, Hancock, and Union Counties in addition to Grainger.

Term: December 1, 2004 thru November 30, 2009 (5 yrs.)

Proposed Amount: 8,266 Square Feet

Annual Contract Rent:	\$43,800.00	@\$5.84/sf
Est. Annual Utility Cost:	\$11,572.40	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,092.60</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$64,465.00	@\$7.80/sf

Current Amount: 8,266 Square Feet

Annual contract Rent:	\$43,800.00	@\$5.30/sf
Est. Annual Utility Cost:	\$11,572.40	@\$1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,092.60</u>	<u>@\$1.10/sf</u>
Total Annual Effective Cost:	\$64,465.00	@\$7.80/sf

Type: New Lease – Advertisement – Only Proposal

Lessor: Carroll Rose and Roger Ball, Current Lessors

SSC Report: 9-13-04. Jerry Preston summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: **Davidson County – 7119 Centennial Boulevard, Nashville, TN – Trans. No. 04-03-900**

Purpose: To provide warehouse space for storage of surplus property equipment, special events materials, daily operational support items, archives, and transition space of renovation projects.

Term: October 1, 2004 thru September 30, 2009 (5 yrs.)

Proposed Amount: 13,239 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$42,000.00 @\$3.17/sf  
Total Annual Effective Cost: \$42,000.00 @\$3.17/sf

Current Amount: 13,250 Square Feet  
Annual Contract Rent  
Incl. Utility Cost: \$48,362.50 @\$3.65/sf  
Total Annual Effective Cost: \$48,362.50 @\$3.65/sf

Type: New Lease – Advertisement - Lowest of (2) Proposals from (1) Proposer

Lessor: Centennial Boulevard Associates, Current Lessor

Comment: The proposed lease provide for no cancellation during the lease term except for cause and/or lack of funding.

SSC Report: 9-13-04. Jerry Preston summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Dyer County – 1.7 +/- Acres – Dyersburg State Community College, Dyersburg, TN – Trans. No. 04-08-006 (LW)**

Purpose: Acquisition in Fee of adjoining property for additional parking and an entrance and exit to existing parking area and subject property is within the Master Plan.

Source of Funding: TSSBA – Repayment from Parking Fees

Estimated Cost: Fair Market Value

Estimated Value: \$29,125.00

Owner(s): Willie Buck Newbill and Etta Newbill

SSC Report: 9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.

SC Action: 9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Jefferson County – 0.539 +/- Acres – State Route 92 Right-of-Way, Dandridge, TN – Trans. No. 04-08-001 (BM)</u></b>
Purpose:	Disposal in Fee of surplus right-of-way for assemblage purposes to the only adjoining property owner.
Original Cost to State:	\$25,000.00 – 7.729 Acres
Date of Original Conveyance:	1976
Grantor Unto State:	Floyd and Estelle Hart
Estimated Sale Price:	Fair Market Value
Grantee:	Charles Hicks
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Hamilton County – 0.676 +/- Acres – State Route 153 and State Route 319 Interchange, Chattanooga, TN – Trans No. 04-08-002 (BM)</u></b>
Purpose:	Disposal in Fee by quitclaim deed any interest in the subject property to clear the title for the Tennessee Valley Authority.
Original Cost to State:	None
Date of Original Conveyance:	None
Estimated Sale Price:	Quitclaim Deed of any interest to clear title
Grantee:	Tennessee Valley Authority (TVA)
Comment:	TVA acquired the subject property in the 1930's for an access road to the Chickamauga Dam Bridge Crossing. In 1955 State Route 153 was constructed and the State Department of Transportation incorporated this area and replaced the access road. The State will quit claim any interest to clear the title for TVA.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Sullivan County – 1.007 +/- Acres – Intersection of State Route 1 and State Route 126, Bristol, TN – Trans. No. 04-08-003 (BM)</u></b>
Purpose:	Disposal in Fee to allow the City of Bristol to make right-of-way improvements.
Original Cost to State:	Grant – Public Purpose
Date of Original Conveyance:	Unknown
Grantor Unto State:	Unknown
Estimated Sale Price:	Grant – Public Benefit
Grantee:	City of Bristol
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.



DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Monroe County – 8.67 +/- Acres – Lake Tellico at U.S. 411 crossing of the Tennessee River, Vonore, TN – Trans. No. 04-08-004 (BM)</u></b>
Purpose:	Disposal in Fee of surplus property to the Tennessee Valley Authority (TVA). TVA plans to make this area a part of the lease it has with the Eastern Band of the Cherokee Indians for a proposed marina.
Original Cost to State:	Grant
Date of Original Conveyance:	1970
Grantor Unto State:	Tennessee Valley Authority
Estimated Sale Price:	Grant – Public Benefit
Grantee:	Tennessee Valley Authority
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property with WAIVER of ADVERTISEMENT as required by TCA 4-15-102 and 12-2-112:

Description:	<b><u>Anderson County – 0.190 +/- Acres – State Route 61, Clinton, TN – Trans. No. 04-08-005 (BM)</u></b>
Purpose:	Disposal in Fee of surplus right-of-way to the only interested property owner for assemblage purposes.
Original Cost to State:	\$3,086.00 – 2.92 +/- Acres
Date of Original Conveyance:	May 1957
Grantor Unto State:	C. J. and June Ragan
Estimated Sale Price:	Fair Market Value
Grantee:	Willis & Brock Foods, Inc.
Comment:	Finance and Administration has letters on file from the other adjoining property owners stating no interest in purchasing the subject property.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Franklin County – 3.85 +/- Acres – Tims Ford State Park – Trans. No. 04-08-020 (GM)</u></b>
Purpose:	Disposal by Easement for public recreational purposes to allow for expansion of an existing swimming beach.
Estimated Sale Price:	Grant –Public Benefit
Grantee:	County of Franklin
Comment:	The proposed easement is pursuant to the Land Management and Disposition Plan for the Park.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description:	<b><u>Franklin County – 22.52 +/- Acres – Tims Ford State Park – Trans. No. 04-08-021 (GM)</u></b>
Purpose:	Disposal by easement to allow for expansion of recreational opportunities by development of additional facilities.
Estimated Sale Price:	Grant – Public Benefit
Grantee:	City of Winchester
Comment:	The proposed easement is pursuant to the Land Management and Disposition Plan for the Park.
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Weakley County – 40 +/- Acres – Big Cypress Tree State Park – Trans. No. 04-08-022 (GM)</u></b>
Purpose:	Acquisition in Fee for expansion of the Big Cypress Tree State Park.
Source of Funding:	State Land Acquisition Fund
Estimated Cost:	Fair Market Value
Estimated Value:	\$80,000.00
Owner(s):	Marjorie Robinson
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Grundy County – 142.34 +/- Acres (3 Tracts) – South Cumberland State Natural Area – Trans. No. 04-08-023 (GM)</u></b>
Purpose:	Acquisition in Fee for expansion of the Natural Area.
Source of Funding:	\$20,000.00 - State Land Acquisition Fund \$100,000.00 – Friends of South Cumberland and National Park Service Grant (LWCF) Cumberland
Estimated Cost:	Fair Market Value
Estimated Value:	\$120,000.00
Owner(s):	Friends of South Cumberland and Charles Page
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Weakley County – 53.82 +/- Acres – Bean Switch Refuge – Trans. No. 04-08-017 (CH)</u></b>
Purpose:	Acquisition in Fee for wetland preservation.
Source of Funding:	Wetland Acquisition Fund
Estimated Cost:	Fair Market Value
Estimated Value:	\$167,020.00
Owner(s):	Adams, Cotharn, and Picheloupe
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Dyer County – 5.0 +/- Acres – 5.0 +/- Acres – Whites Lake Refuge – Trans. No. 04-08-014 (CH)</u></b>
Purpose:	Acquisition in Fee of an in-holding within the Refuge.
Source of Funding:	Wetland Acquisition Fund
Estimated Cost:	Fair Market Value
Estimated Value:	\$20,000.00
Owner(s):	Guy Marsh
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.



TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Dyer County – 104.6 +/- Acres (2 Tracts) – Bogota Refuge – Trans. No. 04-08-015 (CH)</u></b>
Purpose:	Acquisition in Fee of two tracts that constitute in-holdings in the Refuge.
Source of Funding:	Wetland Acquisition Fund
Estimated Cost:	Fair Market Value
Estimated Value:	\$212,000.00
Owner(s):	Ruth Leow
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Fayette County – 169.5 +/- Acres – Wolf River Wildlife Management Area – Trans. No. 04-08-016 (CH)</u></b>
Purpose:	Acquisition in Fee of property adjoining the Wildlife Management Area.
Source of Funding:	Wetland acquisition Fund
Estimated Cost:	Fair Market Value
Estimated Valued:	\$122,000.00
Owner(s):	Wolf River Conservancy
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE WILDLIFE RESOURCES AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description:	<b><u>Weakley County – 39.6 +/- Acres – Bean Switch Refuge – Trans. No. 04-08-013 (CH)</u></b>
Purpose:	Acquisition in Fee of land that constitutes an in-holding with the Bean Switch Refuge and to resolve management problems associated with the in-holding.
Source of Funding:	Tennessee Wildlife Resources Agency
Estimated Cost:	Fair Market Value
Estimated Value:	\$95,050.00
Owner(s):	Howard and Linda Foulks
SSC Report:	9-13-04. Jurgen Bailey summarized the transaction. Staff referred to Sub-committee for consent agenda.
SC Action:	9-20-04. Sub-committee approved the transaction as presented. Final action.

TENNESSEE BOARD OF REGENTS

AUSTIN PEAY STATE UNIVERSITY, CLARKSVILLE, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Building Demolitions for Green Spaces** at Austin Peay State University in Clarksville, with design services by the regional consultant.

**Estimated Project Cost:**

**\$ 90,000.00**

SBC Project No. **166/003-08-04**

Approved by: \_\_\_\_\_  
M. D. Goetz, Jr., Commissioner  
Department of Finance and Administration